CHAPTER 2

REVIEW OF LITERATURE

2.1 INTRODUCTION
A lot has been written about banking industry in India. Even the changes which took place in the last decade have been the focus of critical attention of scholars. Further, some important committees like Rangarajan Committee and Narsimham committee were appointed. The reports of these two and other committees are important source of literature on Indian banking which is the overall universe of the study.

Similarly, customer service and customer satisfaction have also been the focus of attention. With the technological upgradation and automation in banking industry, customer centric orientation has become the central theme. Accordingly a lot of literature has been produced on these two aspects.

The earliest mention of bankers is that of ‘Shroffs’, ‘Seths’, Sahukars’, ‘Mahajans’ and ‘Chettis’. Shekhawat (1961) discusses the creation of three presidency banks, viz, Bank of Bengal, Bank of Bombay and the Bank of Madras. He explains as to how these banks could remain at the top of modern banking in India till their absorption in the Imperial Bank of India on 27th January 1921.

Tiwari, (1959) studied the development and progress of Indian banking system. He provides evidence that Allahabad Bank (established in 1865) was the first bank exclusively owned by Indians, followed by Punjab National Bank (1894). Host of other Indian banks were set up between 1906 and 1913 like Bank of India, Central Bank of India, Bank of Baroda, Canara Bank, Indian Bank, and Bank of Mysore.

To control and supervise the banks in India Nayak, (1952) writes, that the Reserve Bank of India was established on April 1, 1935 in accordance with the provisions of the RBI Act, 1934. Though originally privately owned, Reserve Bank of India was nationalized in 1949 and since then it is fully owned by the Government of India.

Even after the formation as well as nationalization of RBI the growth of economy and banks was very slow and banks still experienced periodic failures. Narayana, (1965) explains that in order to streamline the functioning and activities of 1100 commercial banks present then, the Government of India came up the Banking Companies Act in March 1949. The Act was a special legislation, applicable exclusively to the banking companies. The Act was later renamed (w.e.f. March 1966) as the Banking Regulation Act. This act vested in the Reserve Bank of India the responsibility relating to licensing of banks, branch expansion, and liquidity of their assets, management and methods of working, amalgamation, reconstruction and liquidation, thus, giving Reserve Bank of India the authority along with responsibility.

Bagchi, (2006) in his study explains the circumstances that lead to creation of the first state-partnered and state-sponsored bank the State Bank of India. He describes how in 1951, when the First Five Year Plan was launched, the development of rural India was given the highest priority. He says that the commercial banks of the country including the Imperial Bank of India had, till then, confined their operations to the urban sector. In order,
therefore, to serve the economy in general and the rural sector in particular, the All India Rural Credit Survey Committee recommended the creation of State Bank of India by taking over Imperial Bank and all its associate banks. An act was accordingly passed in Parliament in May 1955 and the State Bank of India was constituted on 1st July 1955. Sharma, (1979) elucidates that it was soon realized that State Bank alone was not sufficient for the development of the economy and more government sponsored banks were required. Thus, he explains, with a view to serve the masses, the Government of India nationalized fourteen banks in 1969 and six banks in April of 1980 leaving approximately 10 percent of branches in private hands.

Post nationalization the performance of the public sector banks deteriorated immensely with more than half of the public-sector banks having a negative net worth. Understanding the fact that a sound banking system is a must for development of every economy, the then government initiated the ‘Banking Sector Reforms’. The first step towards these reforms was taken in 1989 by setting up of Narasimham Committee. The Committee submitted in 1991 its first report which gave recommendations like the reduction of Statutory Liquidity Ratio (SLR) to 25 per cent over a period of five years and progressive reduction of Cash Reserve Ratio (CRR) to 3-5%. It also recommended the phasing out of directed credit programmes and redefinition of the priority sector. The ban on setting new banks in private sector was also abolished and so was branch licensing Narasimham Committee Report (1991). The second report published in 1998 by the committee recommended the merger of strong public sector banks and closure of some weak banks. The committee also recommended the Golden Handshake Scheme and propagated a healthy competition between the public and the private sector banks (Narasimham Committee Report 1998).

There was a significant improvement in the profitability and growth of the Indian banks after recommendation of the Narasimham Committee. Assessing the impact of the Narasimham committee recommendations on the banking industry Radha, (2003), reports that there was an increase in deposits as a proportion of GDP from 48.6 percent 1990 to 60.4 percent in 2002 and the credit increased from 29.5 percent to 39 percent.

The banking sector reforms gave way to a robust Indian banking industry. Currently this industry is the fastest growing and the largest banking hub of the world with 91 banks having with nearly 1,10,477 offices, employing 11,71,426 people. The industry was reported to have deposits and assets worth Rs 86,542,205.5 and Rs 66972420.2 million respectively in the financial year 2014-2015. (Reserve Bank of India Report, 2015).

However, in spite of such considerable growth post the banking sector reforms more than 40 percent Indians still do not have access to basic banking services. (Census, 2011). A basic banking service includes access to payments and remittance facilities, savings, loans and insurance services at affordable cost to all the citizens of the country. (Report on Financial Inclusion, 2008).

Thus, in order to increase the penetration of banking in the country, Reserve Bank of India (RBI) and the Government of India (GOI) relaxed the Know your Customer (KYC) norms, introduced No frills Accounts, allowed the use of Business Correspondents and Business Facilitators, encouraged electronic benefit transfer, launched Pradhan Mantri Jan Dhan Yojna and also gave licences to two new universal banks. (Singh et al. 2014).

---

1 RBI Report on Trend and Progress of Banking in India.
Universal bank has been explained by Bharathi and Reddy (2009), as a business model in which a variety of financial products are offered under-one roof. The range of products and services offered in these banks extend beyond the traditional banking products and includes, for instance, the retailing of insurance products, housing loans, mutual funds, and company deposits and savings schemes. One can, therefore, expect a financial supermarket to be in place at every branch of a bank.

Though the Indian economy is yet to feel the constructive impact of the two new entrants in the banking sector, the feeling of ecstasy lingers with the introduction of differentiated banking and the regulator’s decision to offer banking licenses on tap. Thus, apart from the two new universal banks, Reserve bank of India in the year 2015, also gave in principal approvals to, eleven Payment Banks, and ten Small Finance Banks. (Gupta, 2015).

Payment Banks and Small finance banks are the two new forms of banking expected to enter the Indian banking arena by 2017. Payment Banks, as the name suggests, will be allowed only to accept deposits of not more than Rs 1, 00,000 per individual. They, however, would not be allowed to take up any lending activities including that of issuing of credit cards. Small Finance Banks on the other hand would be miniature versions of the currently operational universal banks. They would be accepting depositing and lending but with a special focus on the under served in the country. (Reserve Bank of India Report, 2014).

Apart from the above three models of banking, electronic banking is another model which is swiftly influencing the industry across the globe. Uppal et.al. , (2011) reported how banking is undergoing a rapid and radical transformation in India. With the advent of Information technology breath-taking developments are taking place in the areas of telecommunications and electronic data processing. This in turn, has led to the development of virtual or direct banking in India. In this model of banking; products, services, and financial transactions are offered through electronic delivery channels with the help of internet. Owing to lower branch maintenance and manpower cost, the banks is able to offer competitive pricing for their products and services vis-à-vis traditional banking.

Entry of new forms of banking in the globalized banking environment of the country, has paved way, both for ample opportunities and resilient challenges. All the banks now face a stiff competition in every respect, both from domestic and foreign players. This competition has compelled the banks to give more attention to customer service and satisfaction. As it is the quality of service, that is going to determine the market share and profitability of a bank in the times to come. (Anderson et al. 1994).

The IBM Study Paradox of Banking 2015: Achieving More by Doing Less states “It is the customers which are going to define the rules of the game in the decade to come. The banks will have no other option but to focus on customers’ expectations”. Culiberg & Rojsek (2010) define customer ‘expectation’ as a measure of the customer’s anticipation of the quality of a company’s products or services. Expectations; they state, represent prior consumption experiences ,information from advertisement, word of mouth and a forecast of the company’s ability to deliver quality in the future. Focus on customers, helps in meeting customer expectation which leads to satisfaction.

---

Customer satisfaction writes Kotler (2010) is a person’s feeling of pleasure and disappointment resulting from comparing products perceived performance (or outcome) in relation to his or her expectation. If the service meets the expectation then the customer is satisfied, if it falls short then he/she is dissatisfied and if it exceeds then the customer is delighted. Further, Pairot (2008) defined satisfaction as an organizations ability to satisfy the psychological, business and emotional wants, needs and desires of a customer. Engel and Blackwell (1982) define Customer’s satisfaction as “an assessment that the chosen alternative is consistent with prior opinions with respect to that alternative.”

A satisfied customer forms the foundation of any successful business. (Hague 2013). A highly satisfied or delighted customer creates an emotional bond with the company which leads to repeat purchases, brand loyalty, and positive word of mouth (Dutta 2007). In fact satisfaction from services has been found to be the major cause for repurchase. (Taylor and Baker 1994).

A satisfied customer acts as an ambassador of the bank states P.V Bhaskar, (2004) which facilitate the growth of business. The cost of keeping a customer is only one tenth of winning a new one (Gulati and Oldroyd, 2005). A satisfied customer is most likely to share his experience with five to six other people while a dis-satisfied customer will share it with at least ten other people (MacInnis and Hoyer, 1997). A totally satisfied customer contributes 17 times more revenue than a dis-satisfied customer (Zairi, 2000). Hague and Hague (2013) in their research quote “that the cost of keeping a customer satisfied is only one tenth of winning a new one and a satisfied customer may also pay a premium for the privilege of doing business with an organization they trust”.

High levels of customer satisfaction often results in customer loyalty (Fornell, 1992), which is the ultimate objective of any organization. (Srivadas & Bakers, 2000). Customer loyalty is a deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future despite situational influences and marketing efforts having the potential to cause switching behaviour. (Oliver 1997). True customer loyalty is said to be created when customers become an advocate for the organization without incentives. (Bansal & Gupta, 2001). Thus, while satisfaction is a measure of how well a customer’s expectations are met, customer loyalty is a measure of how likely customer is to repurchase and engage in a relationship activities (Milroy & Barnett 2000).

A number of studies have reported a positive correlation between profitability and customer loyalty. Anton (1996) observes that when you can increase loyalty a number of beneficial flywheel kicks in powered by:

1. Increased repurchase of existing products.
2. Cross product purchase.
3. Price premium due to appreciation of customization and value added services.
4. Positive word of mouth in terms of referring to other customers to you.
5. Reduced operating cost because of familiarity with your service system.

Supporting the above findings Bowen and Chen (2011) say that the operational cost are reduced when serving a loyal customer as they know the product and require less
information. In fact, loyal customer the study states, act as part time employee as they serve as an information source for other customers. Building customer loyalty is no longer a choice for a business it’s the only way of building sustainable competitive advantage (Kimberly et al., 2015).

Despite these facts Craig Cochran (2003) reports, that, most banks have no clue what their customers really think. They operate in a state of ignorant delight, believing that if their customers were anything less than hundred percent satisfied they will hear about it.

In a study by KPMG (2013) it was discovered that 69 percent of bank customer will tend to remain with their bank when choosing to buy a financial product even if the bank did not quote the best price. Thus, banks can only gain a competitive edge by enhancing their level of customer service as winning customers through product differentiation is almost impossible in a competitive industry like banking. (Ioanna 2002).

In the survey done by PWC all the banks surveyed unanimously agreed that attracting new customers is the biggest challenge for bankers today (Sullivan and Garvey, 2014). Thus banks realise that they need to deepen their customer relationship and focus more on customer expectations (Richard, 2004). Hence enhancing customer service is the number one investment priority for banks, globally.

Vijayaratnam and Kumari (2001), explicate how the concept of customer relationship has evolved over the last five decades in the Indian banking industry. They state that, between 1950 and 1960, the focus was on serving the customer; between 1960-80, the focus was on ‘satisfying the customer’; during 1980-90, the focus was on ‘pleasing the customer’; during 1990-2000, it was on ‘delighting a customer’ and beyond 2000, the focus has been on ‘retaining the customer’. Thus banks are now looking for more and more interaction with customers so as to build a healthy and loyal customer relationship.

Supporting this view, Jham and Khan (2008) write that in today’s competitive environment, relationship marketing is critical to corporate success. Banking is a customer oriented service industry where business depends on client service and satisfaction. Thus, banks are compelled to improve customer service and build relationships with customers. Reichheld and Sasser (1990), in their study, ‘Zero Defects: Quality Comes to Service’, observed that sales and profits per account rise along with the longevity of the relationship. Therefore, they advised every bank to improve their customer relationship and retain them for future profitability.

Gupta and Rawat (2009) opine that the banks in India, are not only witnessing rapid changes, but are also facing severe competition, therefore banks need to understand services quality management, as only this can help them create a differential advantage via-a-via their competitors. Gerson (2001) recommends that all banks should proactively gauge and measure their customer’s perception and aggressively act on the findings. As focus on customers is the key to survival in the Indian banking industry of today. Kamath (2010).

Currently all banks have a complex set of products and very simplistic understanding of their customer’s needs. However, only those banks will succeed in future who have a deep understanding of their customer’s wants and simplistic products. Banks now ought to focus on customers’ needs and not on product and pricing. (PWC, 2014). Kalyan and Addanki (2009) further suggested that the banks need to understand their customers’ perception of quality and switch from a product-centric model to a customer-centric one. As
today’s customers are smarter, more demanding, less forgiving and they are approached by many more competitors with equal or better offers.

Efficient customer service has also been the focus of attention of Reserve Bank of India from quite a few decades now. Realising the necessity to improve customer service in the Indian banking industry Reserve Bank of India time and again formed various committees like the Talwar Committee (1975), Goiporia Committee (1991), The Banking Codes and Standard Board of India (2006), Damodaran Committee (2011) and the Charter on Customer Service (2015) etc. All of these committees have gone into the problem in great length and made several recommendations for improvements to the commercial banks.

First such report by the banking commission was submitted by Saraia (1972), in which it is stated that efficient service and courteous and personalized attention were important considerations in depositor’s choice of a bank and suggested waiting time for customers to be reduced by procedural adjustments and introduction of teller system. Similarly, the Report of the Productivity, Efficiency and Profitability (PEP) Committee on Banking (1977), analysis that market segmentation leads to better quality customer services. It also warned that if diversity of market was ignored then the market opportunities represented by unfulfilled customer needs might be lost.

The first committee ever appointed by Reserve Bank of India specifically for customer service was under the chairmanship, of R.K. Talwar (1977). The committee recommended educational campaigns to be carried out by banks illustratively and every customer of bank to be provided a booklet containing the range of services offered by banks. In order to improve operational efficiency, quality of customer service and to speed it up, the Committee on Public Sector Banks (1978) endorsed judicious use of computers so as to reduce the load of routine and repetitive work and leave sufficient time for staff to provide better customer service.

The increasing demands of the customers post the banking sector reforms compelled Reserve Bank of India to set up another committee under the chairmanship of Goiporia (1991). The committee gave several valuable recommendations all of which are implemented in the banks even today. One of the most important proposals given by the committee was to set up a ‘MAY I HELP YOU’ or enquiry counter near the doors in all branches except very small ones. It also suggested a change in the commencement of working hour for bank staff so as to facilitate timely opening of bank counters.

To set a minimum standard of banking practices for banks to follow, when they are dealing with individual customers Reserve Bank of India established The Banking Code and Standard Board of India, (2006). The board came up with codes which provides protection to customers and explains how banks are expected to deal with them in their day-to-day operations. The code emphasised on transparent, courteous and prompt customer service. The last and the most recent committee on customer service in banks was constituted by Reserve Bank of India in June 2010. The committee worked under the chairmanship of Damodaran (2010). The group after noticing a sudden surge in miss selling and fraud in banking emphasized fair and equal treatment of all customers. The committee also stressed that the tenets of fair treatment, should be based on the principles of minimum courtesy and behavioural standards, transparency, non-discriminatory policy and delivery of what is promised.
On 5th December 2014 Reserve Bank of India brought out the ‘Charter on Customer Right’. The charter enumerates the five basic rights of all individuals banking in India. These rights are:

1. Right to fair treatment
2. Right to Transparency and honest dealings
3. Right to suitability
4. Right to privacy
5. Right to grievance redressal and compensation

All the banks have to formulate their own customer charter incorporating the above five rights and educate their customers about the same.

In spite of all the efforts being put in by the apex bank of India to ensure that good customer service is given by banks the number of complaints has been constantly increasing. (Banking Ombudsman Reports 2013-2015). The total complaints in the financial year 2012-2013 were 70,541 which increased by 8.6 percent to 76,573 in financial year 2013-2014. In the financial year 2014-2015 the total complaints registered with the 15 Banking Ombudsman Office were 85,131. Increasing the percentage of complaints to 11.2%. Out of these maximum complaints were from the customers of nationalized banks followed by State Bank of India and its associates. Maximum percentage of complaints 29.2 and 21.2 percent were due to non-adherence to fair practice Codes and Cards (which include ATMS, Debit and Credit cards) respectively.

Further, the Indian Customer Satisfaction Index (ICSI3), unveiled in 2016 the first-of-its-kind Customer Satisfaction Industry Benchmarking Report in India, highlighting the score of Indian Banking Industry at 69. The nationwide research which was conducted on 12 commercial banks across length and breadth of India positions our country well below the same industry in countries such as United States, United Kingdom, South Africa and Singapore. Thus, reaffirming the findings of the Banking Ombudsman Reports, that the services in the Indian banking Industry is far from satisfactory.

In the article Customer Service in Banking: Long Way to go in Resolving Inadequacies, Dr KC Chakrabarty, former deputy governor of Reserve bank of India is quoted as saying that the ‘banks in India are still putting their interest ahead of the customers. Payment of hefty fees to close bank accounts and one sided loan agreements are proof of the poor state of customer service by the banks in India’. (Sinha et al, 2013).

In another article published in Times of India entitled Reserve Bank of India plans to Cap Customer Liability in Online Frauds on May 26th 2016 reports the poor state of customer service in banks. The report states that a large number of banks have been violating Reserve Bank of India guidelines on penalties for non-maintenance of minimum balance in savings bank accounts. There are still enormous numbers of complaints being made by customers for mis-selling, especially third party products particularly life insurance. The banking fair practise codes knowledge among employees and its adherence in banks is far from satisfactory, with only fourteen percent banks getting a high rating.

---

Customers’ needs and expectations are very dynamic. Therefore, what might have satisfied them once, might not delight them the second time. Thus, banks cannot provide superior services to customers unless expectations are known. (Mandal and Bhattacharya4, 2013). Customer expectation can only be known through the knowledge of customer satisfaction levels. This necessitates the measurement of customer expectations and satisfaction. However, satisfaction levels cannot be measured unless the determinants or factors that influence it are identified. (Siddique, Karim, Rahman, 2011).

In this regard various researches have suggested different areas in which banks should concentrate so as to increase customer satisfaction levels. Several models have also been developed in an attempt to measure customer satisfaction. ‘SERVQUAL’ developed by Parasuraman, Zeithaml & Berry in 1985 was one of the first such model. It is by far among the most popular instruments used for evaluation of service quality (Lo, et al., 2010). Parasurama, Zeithaml & Berry (1985) had listed ten dimensions or determinants of customer service and satisfaction. The ten dimensions are as follows;

1. Reliability: which is the ability of a company to accurately deliver its services in the stipulated time and according to the promise it has made to its clients.

2. Responsiveness: the inclination and readiness of service provider (namely employees) to help customers satisfy their needs.

3. Competence: skills, knowledge and training of employees to be adequate so that they can provide the required customer service.

4. Communication: any information that might be of importance to customer should be clearly told to them. It also includes employees listening to their customers.

5. Accessibility: providing easy access to services in terms of location. it also means providing of services through various channels like telephone , internet or any other means of communication

6. Creditability; honest and straight forward, transparent dealings.

7. Understanding and Knowing Customer

8. Tangibility: the physical aspects related to services like instruments like ATM, Physical facilities like building, nice décor and other observable factors.


The above ten attributes were later reduced to five (1) Tangibility, (2) Responsiveness, (3) Reliability (4) Assurance and (5) Empathy; in the SERQUAL or Gap Approach (Parasuraman, 1988). The model measured customer satisfaction by calculating the gap between customer’s expectation and perception from a given service attribute.

Many other dimensions of customer service have been highlighted by various researchers such as employee courtesy & politeness, branch ambience, technology, call centre, ATMs and so on.

The PwC Report ‘Experience Radar 2013 - Lessons from U.S Retail Banking (2012) describes five actions banks could take so as to ensure customer satisfaction. First ‘Win the Fees War’ by keeping it reasonable and consistent. Frequent change of fees and rates without informing customers leads to dissatisfaction. Second ‘Fix the bad Fast’ by apologising when at fault. Two out of five customers walk out of bank due to bad experience and 45 percent of these discourage others from joining the bank. Third ‘Help your Story Get Told’ through happy customers. The report states, fifty percent recommendations come from satisfied customers. Four ‘Go Digital’ as customers now days want to interact whenever and wherever and that also on their own. Five ‘Balance automation with Human Touch’ as sixty percent of great experience is due to great staff.

Employee, are all said to play an indispensable role in customer service and satisfaction. Thus it is imperative that employees who interface with their customers directly are empathetic, should understand their needs and requirements. Training the human resources in this regard is vital for customer satisfaction. Nagabhushanam, (2013). Research proves that there is a positive correlation between customer service and employee satisfaction. Thus, investment in employee engagement can result in better customer service and satisfaction and ultimately profitability.

A positive employee attitude always leads to better service and higher customer satisfaction. (Heiner et al 2012 ; Kruce 2014). Supporting their view Ganesh and Varghese (2003) said a good customer service in banks should have three basic tenets – courtesy, accuracy and speed. Biswas and Bhattacharya (1991) concluded that only satisfied employees can give satisfactory customer service therefore strategic human resource management is a must for banks profitability and growth. In a study done by Leeds (1992) it was analysed that more than seventy five percent of customers switch banks due to employee impolite behaviour. As our honourable president said “A bank is only as good as its people, and therefore, the quality of its human capital will be the single most important defining factor in shaping its future”. (Mukherjee, 2012).

Bank location, processes, branch ambience, ATMs, call centre services and technology are also said to have an impact on the level of customer satisfaction. Singh (2004) says that level of customer service and satisfaction is determined by the location of the branch and its ambience, quality of services, systems and procedures, automation and computerization, complaint redressal and very importantly staff skills, attitudes and responses. Supporting the above Brahmanandam and Narayana (1990) said that convenient location and suitable timings along with prompt service are as the most important factors for customer satisfaction.

Singh and Kaur (2011) in their study suggest six factors that have an major influence on customer satisfaction – employee responsiveness, services/ product innovation, competence, reliability, appearance of tangibles and positive word-of-mouth. Al -Eisa and Alhemoud (2009) in their research again term employee responsiveness , promptness, helpfulness and courtesy as the attributes to have the greatest impact on customer satisfaction.

---

The research by **Mahalakshmi & Kanchana (2015)**, states the five most important features which the customers expect from their bankers – reliability, assurance, empathy, responsiveness and pro-activity- as these, states the report, are the backbone of any relationship. Further **Kumar Dinesh (2012)** in his study writes that the banks need to remain focused on improving the customer experience while leveraging on three pillars- people (employees), process and technology. The report states that focus of a bank should be on providing quality and consistent service to customers across all channels of interaction.

There has been a dramatic increase in the number of working women in India. This in turn has led to an increase in women customers in the bank, both as savers and investors. However, there a significant difference among the male and female consumer’s consumption pattern of financial goods and services. **(Achim and Morgner, 2001)**. Women customers are also reported to be more critical of service quality as compared to their male counterparts. **(Anand, 2008)**.

### 2.2 NEED FOR STUDY

The views of various committees and empirical studies reviewed above prove that banking is predominantly a customer-oriented business and good customer service is the key to banks' growth and stability. **(Mukherjee, 2012)**. However, still research proves that customer dissatisfaction is the major cause for customer switching to a competitor bank **(Manrai & Manrai, 2007)**.

The next few years promise greater excitement (read competition): with the banking space being redefined by the entry of new players, the introduction of new business models and participation of innovative start-ups. Thus the underlying principles for the success of banking in the times to come would be simplicity, supreme customer experience and added value to the customer **(Jain, 2016)**.

---


With the infusion of more competition in the industry the banks will have no other option but to concentrate on the needs of their customers. As it will only be the quality of service which will remain the key differentiating factor, and the service providers (banks) will have to tirelessly work on what they actually deliver to their customers if they want to stay ahead of competition (Kimberly et al., 2015).

Quality of customer-service is not only important for retention of existing customers but also for expanding the customer-base. Customer retention is thus, going to be the key factor for banks going ahead.

Various committees have prescribed certain norms and also some studies have been conducted to study the changing dimensions of customer-service in banks. However, different universe and different periods of study always lead to new knowledge about the issue. Similarly, this study concentrates on customer satisfaction from two new angles, i.e;

i) The latest preferences of customers with regard to people, processes and physical infrastructure.

ii) The variance of customer satisfaction level among different income, age, gender and occupation groups.

In this context, a study of customer satisfaction of the two premier banks of India viz.; State Bank of India and HDFC assumes relevance and deserves deeper academic attention.